



For Offer **exp**TM
REALTY

Rare Commercial Opportunity

in Canmore, Alberta

\$6,750,000

Live | Work | Play | Canmore

    @liveworkplaycanmore



75 Dyrgas Gate, Canmore Alberta



14,079 sf | 20 Units | Vacancy Rate: 0%
2006 Build | Bareland Condo | Professional Management

Single-level, ground floor | Underground parkade, surface lot + street parking
Zoning: CC - Local Commercial District | \$800,000 in renovations since 2011

For Sale: Turn Key Commercial Property Located in the Heart of the Canadian Rockies

This commercial complex offers the kind of space that one would expect in a high-end residential neighborhood in a luxurious mountain town; something with presence, stature and that suits its surroundings: some of the most beautiful scenery on the planet. This complex is a place to *be*; to be pampered and cared for, to privately attend to your business, and enjoy a latte, or a gourmet meal afterwards, with friends, and pick up a nice bottle of wine before you head home, just two blocks down the road.

The complex was built in 2006 with mountain timber, and stone character, and remains unlike anything else in the Bow Valley, *now, or yet to come*. The complex is quiet, so quiet the top floor features luxury penthouse apartments (*not included*). And even with having more than adequate parking, it's completely unlike the big-box shopping plazas going up in the cities. This place has a vibe, and you just never know who you'll bump into.

The one of kind bareland condo complex totals 14,079sf, with twenty fully leased units, and is the first commercial listing of its kind to hit the Canmore public market. The ground level complex is divided into six large units and is well-suited to its luxury-niche anchor tenants who mostly cater to the health and wellness sector. The tenants include two high-end specialty medical offices, a pharmacy, a favorite local restaurant, a boutique liquor store, and a business centre. The business centre is subdivided and leased out as a variety of smaller lease spaces to many local practitioners; a unique, but high-demand asset class for the area.

With all eyes on Canmore in recent years, this gem of a small mountain town has only gained international exposure and is deemed one of Canada's best-kept secrets for a healthy and active lifestyle, surrounded by nature, and 360 degrees of mountainscape. It's the ultimate live, work, play, *and investment* location attracting various types of interest for a wide variety of reasons, from all over the world.

As recognized in the 2020-2025 Economic Development Strategy (*attached*), Canmore's top economic drivers outside of tourism includes *health services*; this space not only caters to a luxurious experience, but also serves as a local economic hub, fitting into the long-term vision for Canmore's overall economic health.

Live | Work | Play | Canmore



MOUNTAINEERS VILLAGE offers a turnkey commercial complex operating as a diverse medical health centre in the luxurious neighbourhood of Three Sisters Mountain Village. A healthy mix of anchor tenants servicing both locals and tourists alike, the entire main level features 14,079sf of commercial lease space owned by one owner. The offer is for six individual units; five larger spaces, the sixth space is a unique offering sub-divided into fifteen leases operating as a Business Centre with a shared reception, board room, community room, kitchen, storage, bathrooms, and laundry. The individual office spaces range from 90-411sf, an asset class that does not exist, let alone to this caliber.

The complex is professionally managed by PEKA Management; the account itself assigned to the Broker, who offers top-notch service and support to the hands-off, and low maintenance operation. Truly the perfect size complex and operation, significant improvements to the building occurred in 2020, the maintenance is up to date, the reserve fund maintenance plan is healthy, and there are no special assessments.

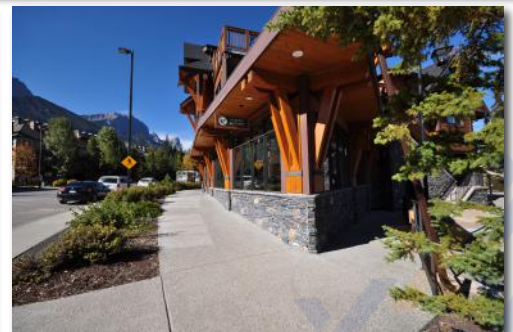
Offering some of the best lease rates in the Bow Valley, in a premium setting, the health of the complex is reflected in the community atmosphere, and both in day to day operations and in the management of the complex overall, where due to the size of the complex decisions are made quickly and effectively.

There is room to grow the income, however it is worth noting that navigating the pandemic has been a true testament to the health of the complex as very little support has been required to the tenants during this time; the 0% vacancy has been maintained, and all tenants are paying rent without any government assistance. The cap rate, currently sitting just under 4%, is reasonable for the area and reflects the long-term, low-risk profile of the complex as well as the significant asset growth in recent years. Relatively conservative projections on both increased lease rates and capitalization rates show significant increases for the savvy buyer.

The luxe location offers seasonally maintained paved walking/biking paths, wooded trails along the river that connects to downtown, one of two local disc golf courses, and a dog park. Just three turns off of Hwy 1 for commuters, the complex features plenty of parking, and a local transit stop is located right at the complex. Local residential real estate values for the neighbourhood range from \$700,000 - 4,000,000.



MOUNTAINEERS VILLAGE



MORE ON WHAT MAKES CANMORE SO SPECIAL:

This quaint mountain town offers one of the best kept secret lifestyle locations in Canada, and given the interest the area receives from around the globe, perhaps even one of the best locations in the world. Big brother Banff receives a lot of attention, but as of late, Canmore is set to step out from the shadows of Banff with their own alpine existence.

Other comparable mountain towns include Whistler, BC, and Vail, Colorado, both examples of accelerated growth in alpine locations. Interestingly, Canmore's residential real estate sales volume was up 17% last year, out-performing Whistler's 11% increase. Although Whistler saw record-breaking numbers of high-priced transactions, arguably, Canmore sets itself apart from the already established resort giants, offering prices still deemed affordable.

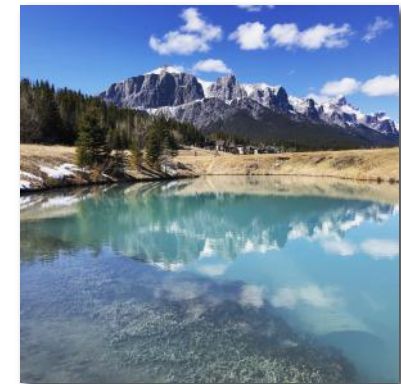
Just this past year Travel Alberta received an upgrade from simply being a marketing channel to a full-fledged destination management designation, which brings a major shift in funding and support for the area.

As Alberta continues to shift in major ways towards tourism, Canmore is very much a part of that vision. On the provincial and federal stages, it is already recognized as forming part of the Canadian Rockies Tourism community, alongside Banff and Jasper. This group accounts for 13% of the province's total annual visitors, bringing in the lion's share of the province's \$6.9B in tourism GDP.

The Travel Alberta tourism dashboard report for September 2021 showed the Rockies out-performing every other group in the province in both hotel occupancy, and average daily rate stats.

Speaking of hotels, there has been an uptick in hotel sales and listings within the province, however, despite many assets being listed for prices below their value, financing these purchases is practically impossible. While the government is set on not sinking anyone in the tourism industry, securing financing is practically off the table, therefore there has been a shift in interest to buyers with deeper pockets who are interested in expanding their portfolios, can float the low cap rates, and wait for the market to turn around.

In other tourism news, the Calgary Stampede conglomerate has some pretty impressive expansion plans underway, set with a 2024 completion date. The new \$500M / 560,000sf expansion is set to compete as a globally recognized conference destination (move over Las Vegas!). This project is expected to be an economic churning for all of Southern Alberta, and the province's tourism direction. Of course, the Rockies once again being a major draw and advertisement for the Calgary area, Canmore being just 45 minutes West of the world-class city and its international airport.



If you're in Alberta and haven't noticed the increased traffic to K-country, maybe it's time to turn off the tv and get outside along with the other 5.4M visitors the region saw last year; up from the long-standing annual average of 3.9M visitors. And don't forget your Kananaskis Conservation Park Pass, a new \$90/yr initiative put forth by the provincial government to increase safety, and services including re-opening visitor information centres and grooming cross country ski trails within the provincial parks. All revenue from the pass will be directed back to the Kananaskis region.

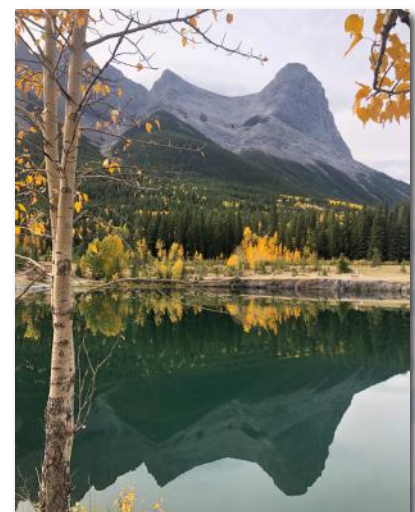
Locally, resort municipality status has been in talks for about a decade, and with a new town council coming into play in October 2021, and the current CAO set to retire at the end of the year after ten years in the role, the town is set to see some changes in many ways, and the pressure is on to funnel much of the revenue generated through tourism back to the town.

Although there have been several major impacts over the course of the last two years of pandemic, most local small businesses reported ending 2020 on par, if not better than 2019, despite business looking so different from the previous year. Another notable change has been the shoulder seasons being extended far beyond the typical seasonal slow times, with November 2020 and February 2021 both marking peak months for many local businesses, historically the slowest months of the year.

Canmore loves a rumour, but this one may have some legs: the Government of Alberta could be shopping a long-term lease space for the Economic & Social Development Canada office. Another major tenant set to move into the area is the University of Saskatchewan, in partnership with Innovate Canmore, and will be housed in the upcoming The Gateway commercial development.

One thing is certain: there is no shortage of plans for the area and the demand of being here carries many interests. We see people from all walks of life and for all sorts of reasons: from living and working here full time to part time living, retirees, and those taking steps to plan to retire here. Tourism operators, entrepreneurs, all sorts of medical, and therapeutic practitioners, scientists, and biologists who study the landscape, the water, and the wildlife, plus Park Canada employees. The creatives in art, music and writing, to those who invest in revenue-generating properties, to those interested in further developing the area.

Canmore is a gem of a mountain town that attracts visitors from around the globe, and offers a bustling town with world-class sport, dining, art, wellness, and tourism; a town filled with drive, enthusiasm, creativity, and a sense of pride and stewardship for the nature and wildlife that surrounds it.



Mountaineers Village, a 2006 build, is one of the nicest, and still most recent commercial builds in Canmore. With commercial development already more than ten years behind, and only increasing in demand, this complex will continue to stand alone in its offering.

Even as the newest commercial development at The Gateway gets underway; this long-awaited development was promised over a decade ago and is scheduled over the course of two to three phases, with completion slated for three to five years; the smallest spaces ranging from 600-1,200sf. The 313,000sf of lease space is a completely different offering, **none of which is being sold by the developer.**

Moose Meadows is the most recent commercial development, completed in 2021. A light industrial complex offering mixed-use commercial and office space mostly located on the upper floors. The two shell-like buildings kept costs down and offered six sides of completion, the interiors fully customized by the mix of tenants and owners. Going-rate for the only unfinished space left for purchase is approx. \$350/sf. Lease rates range from \$21-35/sf.

The 2019 build at The Shops of Canmore is a high-density, standard mixed-use complex whose tenants feature convenience, retail and mixed-use office space serving locals and visitors. It is located at the main intersection of town and provides the majority of the amenities closest to the hotel and hotel condo network along Bow Valley Trail.

Larger revenue-generating hotel condo projects continue to dominate the local commercial development scene, coupled with land scarcity, and the existing backlog of commercial space requirements, demand has increased local rates drastically. The existing cap rate of the complex reflects the asset growth since purchase, and a healthy rent roll with room to grow the revenue. Although all twenty leases vary and are a mix of both gross rates, and \$/sf; the rate for the complex averages out at \$20/sf + condo fees.

The main difference between these complexes and the subject property is that those ones are not for sale, and this one is.



The Gateway



Moose Meadows



The Shops of Canmore

Banff Plastic Surgery:

The clinic of a world-renowned expert, educator, and innovator in the plastic surgery world; the best-of-the-best when it comes to breasts. Having operated in Banff since 1983 (hence the name), the clinic relocated from Banff to Canmore into this appropriately luxurious commercial complex years ago and has been a happy tenant ever since. Space like this does not exist in the Bow Valley, but higher-end services like this are only increasing. The space underwent renovations in 2019 and occupies a double unit spanning just under 4,000sf.



Three Sisters Laser Clinic:

Offering the best in anti-aging and rejuvenation treatments including cosmetic injectables, skin resurfacing, and hair removal, this swank and modern clinic was also renovated in 2019 to the current gorgeous esthetic. Dare we say there isn't another office like this in Canmore!? At 1,550sf the space offers five treatment rooms, reception, bathroom, copy room, and staff kitchen.



Three Sisters Market Bistro

A popular restaurant with both locals and tourists, it is currently ranked as #14/94 restaurants on Trip Advisor. The restaurant is cozy with an open-air kitchen set up and features a large, three-season outdoor patio with mountain views. The food is delicious, described as modern French and Italian, and it is the only restaurant (and place to get a latté) on the south side of the river, outside of the Stewart Creek Golf Course. Offers dine-in, online ordering for pick up, and catering services.



Unwined:

The boutique liquor store is run by a professional chef and foodie offering an always interesting and curated selection of wine, craft beers, and spirits. Another popular spot for locals and tourists alike, and is the only liquor store on the south side of the river.



Three Sisters Pharmacy & Clinic:

The pharmacy offers walk-in services for minor ailments, prescription services, travel consults, plus serves the medical office traffic, and local clientele. The shop includes a small retail convenience set up, the only one in the area.



Mountaineers Business Centre:

Unit 101 is a unique 4,637sf space, broken into fifteen separate lease spaces ranging from 100-250sf, currently generating about \$12,000/mo in rent. The space features a shared reception, small board room, large community "yoga room" available to host all sorts of classes/workshops, a galley kitchen, two washrooms (one with a shower), large storage room with locked cabinet for each tenant, and shared laundry. The majority of tenants in this unit have been in place since 2011, and are mostly health and wellness practitioners; a unique, but high-demand asset class for the area.



Renovations:

This complex has undergone significant renovations, another rarity for the area. \$500,000 of leasehold improvements were completed upon purchase in 2011, and additional tenant improvements occurred again in 2019:

- *Units 103, 105/106, and to some of the smaller units in 101; approx \$300,000*
- *Units 101-01, -02, -03, -07, and -08 were renovated in 2019 with high-end finishings including LVT flooring, new paint, and blinds*
- *Units 101-04, -05, -06, -09, and -10 are finished with the 2011 carpet, paint, and blinds*



Why It's So Special:

Securing a top asset in a prime Canadian market is not an opportunity that presents itself often, especially here, in a tucked-away mountain town of just 15,000 people; it hardly seems the place to own some of the most luxurious property in the country, so what makes Canmore so special? There are many considerations as to why this property stands out as a great investment.

What was once a mining town, gained popularity after hosting parts of the '88 Olympics, and just as Alberta's first oil and gas millionaires arrived on scene; suddenly Canmore was on the map. The last decade has seen drastic economic growth and popularity, and is actually ranked as having the highest number of Olympians per capita in the country. Now, the professional athletes, celebrities, and the world's elite come to shoot movies, ski, disconnect, soak in the most spectacular nature, and take in the many luxurious offerings of the area including food, shopping, art, and pampering; the personal health and wellness sector, almost second to the tourism industry.

For locals, Canmore is all about the healthy, nature-immersed lifestyle located on the fringe of society where young families want their children connected with nature, and where retirees from Calgary and beyond, have always dreamed of hanging their hats.

Canmore is the perfect distance to a major centre, offers a quiet and active lifestyle all year long, and offers incredible access to all of the major ski resorts, Banff National Park, the iconic Rockies scenery in Kananaskis country, wildlife, fine dining, art, sport, and the list goes on and on. It's a major tourism hub only gaining in popularity, and it's worth noting that the most comparable mountain town is Whistler, BC.

So we know the *what* and the *who*, and have barely scratched the surface on the *why*; but if you are reading between the lines, you know Canmore is special.

The attached *Future of Canmore* document outlines more of the why, and what the future of this small, but mighty mountain town may hold.



Future Opportunities

Both the lease and property value pro formas show considerable expected growth over the next five to ten years. The cap rate reflects the current leases in place and the significant growth of the asset since inception. The complex offers a healthy rent roll, and safe investment with room to grow the cap rate over the next couple of years.

The Banff-Canmore market has seen exponential increases across all real estate sectors, and commercial demand continues to supersede the availability. Any commercial changeover has stayed close and has mostly occurred off-market, making this opportunity even more rare.





Photography: Donna Houston

We are Ryan & Donna Houston, a husband-wife duo, setting ourselves apart with a high level of integrity, sophisticated customer service, and professionalism derived from our corporate backgrounds and experience in all things Real Estate.

Analyzing the pulse of the market to be ahead of the trends is just one of the ways we set ourselves apart, bringing our extensive business experience to the table for both buyers and sellers alike.

eXp Realty Canada has shaken up the industry since its Canadian launch in 2012 as the antithesis of how traditional real estate brokerages operate.

The sophisticated use of technology and business services allows us to focus on what we do best: Making real estate dreams come true for our clients around the world.



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